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IN THE

Supreme Court of the United States

OCTOBER TERM, 1941

No. 965

GENZO SHIMADZU and NORTHEASTERN ENGINEERING CORPORATION,
Petitioners,

v.

THE ELECTRIC STORAGE BATTERY CO.,
Respondent.

PETITION FOR REHEARING RE ORDER DENYING CERTIORARI

GEO. WHITEFIELD BETTS, JR.,
Counsel for Petitioners.

GEORGE H. SOUTHER,
GEORGE YAMAOKA,
Of Counsel.

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PETITION FOR REHEARING RE ORDER DENYING CERTIORARI

To the Honorable the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Now come petitioners, Genzo Shimadzu and Northeastern Engineering Corporation, and respectfully petition that this Honorable Court grant rehearing in the above entitled matter and vacate its order denying certiorari and forthwith issue a writ of certiorari to the United States Circuit Court of Appeals for the Third Circuit for a review of the decision of that court filed on November 19, 1941, as to U. S. Letters Patent 1,584,149 (R. IV, 1467; 123 F. [2d] 890).

Jurisdiction

The petition for certiorari in this case (No. 965, October Term, 1941) was filed on February 19, 1942; and was denied

on March 30, 1942. This petition for rehearing is filed within twenty-five days thereafter under Rule 33 of this Court.

Grounds for Petition for Rehearing

I

IT IS MOST URGENT THAT CERTIORARI BE GRANTED IN THIS CASE, AS THERE IS LITTLE POSSIBILITY OF CONFLICT OF DECISIONS BETWEEN DIFFERENT CIRCUITS.

In *Schriber-Schroth Co.* v. *Cleveland Trust Co.*, 305 U. S. 47, and in *Exhibits Supply Co.* v. *Ace Patents Corp.*, and related cases (Nos. 154, 155 and 156, October Term, 1941), this Court was moved, upon petition for rehearing, to grant certiorari upon a showing that conflict of decisions in circuits was improbable.

In the present case, as the invention here involved is used to greatest advantage by large manufacturers, it is only employed by petitioner Northeastern's licensees, and by respondent in Philadelphia, Pennsylvania and its wholly-owned subsidiary company elsewhere in the United States. (See affidavit hereto annexed.) They comprise the largest storage battery manufacturing companies in the industry and account for a large portion of the production in this country.

Were petitioners to bring suit against respondent's wholly-owned subsidiary in other circuits, they would be confronted with the issue of *res adjudicata* by reason of the judgment in this case.

Although the industry is not concentrated in any one circuit, the remainder of the manufacturers, most of whom are small, either employ different processes or purchase

their lead oxide powders from others who likewise employ different processes.

In addition, material shortages and attendant priorities, due to the war effort, make it highly improbable that any additional infringements will occur because of the relatively short period of time U. S. '149 still has to run (one year) and the unlikelihood that any manufacturer would be able to obtain the apparatus and equipment needed for the utilization of this process until after the present emergency. Consequently there is little, if any, probability of conflicting decisions in other circuits.

While the reasons for the improbability of conflict between decisions of different circuits in *Schriber-Schroth* v. *Cleveland Trust Co.* and in *Exhibits Supply Co.* v. *Ace Patents Corp., supra,* are different from those here present, the result is the same. It is believed that this Court is justified in granting this petition for the purpose of determining the important questions of general interest to the public here involved, as distinguished from those affecting only the parties.

At all times the courts below had before them the same record and the same parties. No new evidence was presented by the parties after remand by this Court. Of the six Circuit Judges who considered this patent, four held Claim 2 valid and infringed. In addition, the District Judge twice found this claim valid and infringed, the last time as a result of re-examination made at the specific direction of this Court.

II

THE WELL ESTABLISHED RULES AS TO THE CONSTRUCTION OF A FOREIGN PATENT AND THE CHARACTER OF PROOF REQUIRED TO ESTABLISH INVALIDATING EFFECT OF THE SAME UNDER THE PATENT STATUTES WILL BE THROWN INTO CONFUSION IF THE DECISION OF THE CIRCUIT COURT OF APPEALS IS PERMITTED TO STAND.

Petitioners respectfully request the further indulgence of this Court for the reason that they may not have presented with sufficient clarity in the petition for certiorari the error of the Circuit Court of Appeals in determining fundamental questions of patent law.

A

The Circuit Court of Appeals, in holding that Japanese '563 constitutes a bar under R. S. 4887 to the patent in suit, has overlooked or overruled certain well established principles of patent law. This Japanese patent *in each of its claims* alternatively claims—so that Court has found—an operable and an inoperable process. It held that the inoperable process may be disregarded and that only the alternative operable process constitutes the invention of this Japanese patent, notwithstanding that such a totally inconsistent document is a nullity. *Kintner* v. *Atlantic Communication Co.*, 240 Fed. 716, 720, 721 (2 C. C. A.). See also, cases cited in Point IV of the petition for certiorari herein.

While U. S. patents are deemed to be *prima facie* valid and the courts, in construing the same, resolve all doubts in favor of validity, this liberal rule of construction has not been and should not be applied to a foreign patent relied on to invalidate a domestic patent. The application of this rule to U. S. patents automatically excludes its appli-

cation to foreign patents. The necessary corollary of the rule is that whatever is urged against a U. S. patent will be strictly construed. This is particularly true when that which is urged is a foreign patent.

One obvious error of the Circuit Court of Appeals was in construing Japanese patent '563 liberally or, in other words, in erroneously applying to a foreign patent the yardstick properly applicable only to U. S. patents for the purpose of destroying an admittedly otherwise meritorious U. S. patent.

The foregoing principles have been uniformly adopted by the courts in construing the *disclosures* of foreign prior art under R. S. 4886 and *identity of claimed invention* of a foreign patent under R. S. 4887. Obviously, respondent must be held to a greater than usual degree of proof in order to sustain this highly technical defense under R. S. 4887 against an admittedly valuable patent, as here involved (R. IV, 1476; 123 F. [2d] 896).

Petitioners have been unable to find any precedent for the decision below. It appears to be in direct conflict with universally established precedent.

B

The courts below, by concurrent holdings, have established that U. S. '149 discloses, and Claim 2 thereof claims, a highly meritorious process in the practice of which air is used to *oxidize* the lead undergoing treatment.

Respondent could only meet its heavy burden of proving invalidity under R. S. 4887 (all other defenses having failed) by showing that Japanese '728 and Japanese '563, or either of them, *claimed* substantially the identical process as that of U. S. '149.

However, the representations which respondent urged before both of the courts below were to *exactly the opposite effect*, namely, that neither Japanese '728 or Japanese '563 disclosed a process involving the step of oxidation, no air being used in Japanese '728 and air being used in an *inert manner only* in the process of Japanese '563, for the sole purpose of removing the powder, if any.*

By sustaining this defense under R. S. 4887 on such a showing, the Circuit Court of Appeals has, in effect, set aside the fundamental rule that U. S. patents are *prima facie* valid. The error into which that Court fell becomes all the more apparent when it is considered that in order for it to have reached the result which it did, it had to volunteer a ruling upon a matter not in issue, namely, the nature of the process of Japanese '728 and Japanese '563. Petitioners have consistently agreed with respondent's construction of these Japanese patents, as outlined above.

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* The District Court in its opinion on the hearing after remand stated respondent's position as to the relationship of Japanese '563 and U. S. '149 as follows:

> "The defendant contends that is a direction to eliminate all oxidation (referring to a portion of the specification of U. S. '149) and that the patent is therefore no advance over the earlier '563 Japanese patent which plainly contemplated nothing more than the removal of the powder, and which did entirely prevent oxidation by using an inactive medium for removal" (R. IV, 1441; 35 F. Supp. 745, 747). (Parenthetical expression ours.)

As further illustrative of respondent's position in the proceedings below after remand, we quote the following:

> "* * * *the air* (of the '563 process) *was an inert or inactive gas under the specified conditions of use as much so as when it is used, for example, in fanning wheat*" (Respondent's Brief in District Court, p. 19). (Parenthetical expression and emphasis ours.)

> "That the removal of the powder, when formed, is the sole function of the air in 42,563 is shown by the fact that the product of 42,563 is the identical product of 41,728 in which no air is employed, not the product of Japanese patent 60,825 and '150. * * *

> "That the air as employed in 42,563 is inactive and without oxidizing effect and the reasons therefor are expressly stated in paragraph numbered (1) preceding the claims" (Respondent's Brief in Circuit Court of Appeals, p. 16).

Plaintiffs respectfully submit that if the decision of the Circuit Court of Appeals is permitted to stand, it will unsettle and confuse the heretofore well established rule which places the defendant urging a defense under R. S. 4887 under a heavy burden of proving that that which is claimed in the foreign patent is identical with the invention covered by the U. S. patent against which the foreign patent is being urged.

Some of the relevant cases are: *Leeds & Catlin* v. *Victor Talking Machine Co.*, 213 U. S. 301, 320; *Stead Lens Co.* v. *Kryptok Co.*, 214 Fed. 368 (8 C. C. A.); *Selectasine Patents Co.* v. *Prest-o-Graph Co.*, 267 Fed. 840, 842; *American Tri-Ergon Corp.* v. *Paramount Publix*, 71 F. (2d) 153 (2 C. C. A.); *Davis* v. *Milburn*, 1 F. (2d) 227 (2 C. C. A.); *Seymour* v. *Osborne*, 11 Wall. 516, 555; *Westinghouse Airbrake Co.* v. *Great Northern Ry. Co.*, 88 Fed. 258, 263 (2 C. C. A.); *Hoskins Mfg. Co.* v. *General Elec. Co.*, 212 Fed. 422, 429; aff'd 224 Fed. 464 (7 C. C. A.).

The issues presented are manifestly of great importance to the public, aside from their importance to the parties.

Conclusion

WHEREFORE, petitioners pray that the petition for writ of certiorari herein be reconsidered and granted.

Respectfully submitted,

GENZO SHIMADZU and NORTHEASTERN ENGINEERING CORPORATION, *Petitioners*,

By GEO. WHITEFIELD BETTS, JR.,
GEORGE H. SOUTHER,
GEORGE YAMAOKA,
Counsel for Petitioners.

Dated, April 22, 1942.

Certificate

I hereby certify that the foregoing petition for rehearing is filed in good faith and not for the purpose of delay.

GEO. WHITEFIELD BETTS, JR.,
Counsel for Petitioners.

Affidavit of Albert R. Reid, Annexed to Petition

State of New York, }
County of Niagara, } ss.:

ALBERT R. REID, being duly sworn, deposes and says:

(1) I am over twenty-one years of age, a citizen of the United States and resident of the City of Niagara Falls, State of New York.

(2) I am Chief Engineer of USL Battery Corporation, a New York corporation having its factory and principal offices in the City of Niagara Falls, State of New York, and have served in such capacity continuously for many years.

(3) As Chief Engineer of the aforesaid USL Battery Corporation, I have supervision of the manufacture of Lead Oxide by the process known as the Shimadzu Process, which process embodies the invention of U. S. Letters Patent No. 1584149 issued to Genzo Shimadzu May 11th, 1926, under which the aforesaid USL Battery Corporation is a licensee.

(4) I am familiar with the various methods employed for producing Lead Oxide by other battery manufacturers and users of Lead Oxide in the United States.

(5) To the best of my knowledge and belief, the process of the aforesaid U. S. Letters Patent No. 1584149 has not been, and is not being, employed by anyone in the United States with the exception of the aforesaid USL Battery Corporation and its affiliated companies, all of which are licensees under said patent, and of the Electric Storage

Battery Company of Philadelphia, Pennsylvania, and its wholly owned subsidiary company.

Further deponent sayeth not.

ALBERT R. REID.

Subscribed and sworn to before me this 20th day of April, 1942.

VINCENT J. PACYNSKI,
Notary Public.
My Commission Expires March 30, 1944.

(SEAL)